

AFRISTRAT INVESTMENT HOLDINGS LIMITED

Incorporated in the Republic of South Africa

Registration number: 1998/013215/06

JSE Code: ATI - ISIN: ZAE000305959

Debt Issuer Code: ATID

Hybrid Issuer Code: ATIG

("Afristrat" or "the Company")



SHARE CONSOLIDATION: CASH PAYMENT IN RESPECT OF FRACTIONAL ENTITLEMENTS

1. INTRODUCTION

- 1.1 Ordinary Shareholders are referred to the various announcements released on SENS, the last of which was dated Tuesday, 15 March 2022, relating to the proposed acquisition by Afristrat of MHMK Financial Services, the share consolidation of the Company's issued share capital on a 120 to 1 basis ("**Share Consolidation**") and the implementation of an employee share scheme (collectively, the "**Proposed Transaction**").
- 1.2 Ordinary Shareholders are further referred to the circular regarding the Proposed Transaction, which was distributed on Monday, 13 December 2021 ("**Circular**").
- 1.3 Terms defined in the Circular shall, unless otherwise stated, bear the same meaning in this announcement.

2. SHARE CONSOLIDATION

- 2.1 In implementing the Share Consolidation, an Ordinary Shareholder becoming entitled to a fraction of a share arising from the Share Consolidation ("**Fractional Entitlement**") will be rounded down to the nearest whole number, resulting in the allocation of whole shares and a cash payment for the fraction ("**Cash Payment**"). The value of such Cash Payment will be the volume weighted average price ("**VWAP**") per Ordinary Share traded on the securities exchange operated by the JSE Limited ("**JSE**") on Wednesday, 6 April 2022 (being the first day of trade after the Share Consolidation LDT in order to participate in the Share Consolidation), discounted by 10%.
- 2.2 The VWAP of Ordinary Shares traded on the JSE on Wednesday, 6 April 2022 was 0,46100 cents per Ordinary Share. This amount, discounted by 10%, is 0,41490 per Ordinary Share, which amount will be used to determine the Cash Payment for the Fractional Entitlements.
- 2.3 Ordinary Shareholders are informed that, as far as the tax implications of the Cash Payment of the Fractional Entitlements are concerned, the receipt of the Cash Payment will not be subject to dividend withholding tax.

3. EXCHANGE CONTROL REGULATIONS

- 3.1 In the case of Certificated Ordinary Shareholders whose registered addresses in the Register in South Africa are outside the Common Monetary Area, or where the relevant certificates are restrictively endorsed in terms of the Exchange Control Regulations, the following will apply:
 - 3.1.1 **Non-residents who are emigrants from the Common Monetary Area**

The replacement share certificate reflecting the Share Consolidation will be restrictively endorsed in terms of the Exchange Control Regulations and will be sent to the Ordinary Shareholders' authorised dealer in foreign exchange in South Africa controlling their blocked assets.
 - 3.1.2 **All other non-residents**

The replacement share certificate reflecting the Share Consolidation will be restrictively endorsed '*non-resident*' in terms of the Exchange Control Regulations.

- 3.1.3 Ordinary Shareholders, who are Foreign Ordinary Shareholders must satisfy themselves as to the full observance of the Laws of any relevant jurisdiction, including (without limitation) obtaining any requisite Governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction. If in doubt, Foreign Ordinary Shareholders should consult their professional advisors immediately.
- 3.2 The tax position of an Ordinary Shareholder under the Proposed Transaction is dependent on such Ordinary Shareholder's individual circumstances. This announcement is a general guide and is not intended to constitute a complete analysis of the taxation consequences of the Cash Payment of Fractional Entitlements in terms of South African taxation law. It is not intended to be, nor should it be considered as legal or taxation advice. The Company and its advisers cannot be held responsible for the taxation consequences that the Share Consolidation may have on individual Ordinary Shareholders and therefore any Ordinary Shareholder who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.
- 3.3 The salient dates and times announced by the Company on Tuesday, 15 March 2022 remain unchanged.

7 April 2022
Pretoria

Sponsor
Merchantec Capital

Corporate Advisor
YW Capital

Legal Advisor
Webber Wentzel